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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/414,951	10/08/1999	MICHAEL A. ARKES	202143	4073

7590 09/23/2002

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EXAMINER

KYLE, CHARLES R

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 09/23/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/414,951

Applicant(s)

ARKES, MICHAEL A. 

Examiner

Charles R Kyle

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 30 July 2002.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) do not apply to the examination of this application as the application being examined was not (1) filed on or after November 29, 2000, or (2) voluntarily published under 35 U.S.C. 122(b). Therefore, this application is examined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

Claim 1 is rejected under 35 U.S.C. 102(e) as being anticipated by Copple et al.

Regarding Claim 1, Copple et al disclose the invention as claimed including in a method for administering an on-line auction for an incentive points redemption facility including a catalog of potential auction items (Col. 6, lines 7-18), and a participant database comprising participant records (Fig. 2, element 210), wherein each participant record includes a participant identifier and an incentive point value total available to the participant to bid (Col. 3, line 64 to Col. 4, line 26; Col. 4, line 53 to Col. 5, line 30), the method comprising the steps of:

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Designating, for an auction, a set of auction items from the catalog of potential auction items (Col. 6, lines 11-13);

providing on-line bid access to the set of auction items by authorized participants, the providing on-line access step comprising for an authorized participant:

retrieving, for on-line presentation at a terminal of the authorized participant, data corresponding to an item from the set of auction items, the data including a description of the item and data relating to a current minimum qualifying bid value for the item (Col. 6, lines 7-24);

receiving, via an on-line computer interface, a bid by the authorized participant for the item (Col. 6, lines 25-38; Fig. 3, connection btw. Elements 310 and 322); and

determining, by reference to an available incentive point value total for the authorized participant, whether the new bid exceeds a point total available to the authorized participant (Col. 5, lines 13-22; Col. 6, lines 7-24);

maintaining at least a high bid for each item in the set of auction items (inherent to identification step below); and

identifying, upon ending an auction period, a participant corresponding to a highest covered bid by referencing at least the high bid for each item (Col. 6, lines 51-53).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary

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skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 2-8 and 10-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Copple et al in view of Jack et al.

Regarding Claim 2, Copple et al disclose the invention substantially as claimed. See the discussion of Claim 1 above. Copple et al do not specifically disclose the purchase of additional incentive points through a currency-to-points conversion if available points are insufficient. Jack et al disclose such an interchangeability of currency and incentive points at Col. 3, line 46 to Col. 4, line 55. It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided a currency-to-points conversion to facilitate purchase of extra points because this would have allowed a bidder to have a greater opportunity to successfully bid for an item which he or she really wanted.

With respect to Claim 3, it would have been obvious to have delayed conversion until the bidder won because this would have avoided the administrative burden of converting points back to currency if the bidder was unsuccessful.

With respect to Claim 4, see the discussion of Claim 5 below and consider the case in which there is a single sponsor for a single auction. Further, specification of a currency-to-points conversion rate for each sponsor could have served as a negotiating area between sponsors and one practicing the invention.

Concerning Claim 5, Jack et al discloses specifying a currency-to-points conversion for each auction sponsor at Col. 4, lines 49-52.

With respect to Claim 6-8, Copple et al disclose notifying via an automated message delivery process (Col. 6, lines 41-43), a fulfillment service of a delivery request (Col. 6, lines 41-

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43), the delivery request including an identification of a winning participant (Col. 6, line 46), a delivery address (inherent for delivery), and the auction item for which the winning participant submitted a winning bid (Col. 6, lines 44-46).

With respect to Claim 10, Copple et al discloses that the auction is executed on an Internet connected site at Col.1, lines 5-18 and Col. 4, line 35+.

Concerning Claim 11, Copple et al disclose authorization to bid at Col. 4, line 53 to Col. 5, line 30.

With respect to Claim 12, Copple et al disclose adjustment of an incentive point total after bidding has closed at Col. 7, lines 1-6.

Regarding Claim 13, Copple et al disclose adjustment of incentive point value totals as set forth above. Further, it would have been obvious to have adjusted such a total before bidding ended so as to prevent the bidder from "spending" the points twice in different auctions, this avoiding over commitment.

Claim 9 is rejected under 35 U.S.C. 103(a) as being unpatentable over Copple et al in view of Shoham.

Regarding Claim 9, Copple et al disclose the invention substantially as claimed. See the discussion of Claim 1 above. Copple et al do not disclose an auction software kit for executing the steps of an auction. Shoham disclose such a kit at Summary of the Invention+. It would have been obvious to one of ordinary skill in the art at the time of the invention to have used an auction software kit such as disclosed by Shoham to designate, provide and maintain an

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incentive auction as disclosed by Copple et al because this would have provided kit advantages as described by Shoham at Col. 4, lines 29-34 and set forth below:

What has been missing is a highly versatile toolkit with which to quickly define and deploy a wide range of online markets, in particular markets in the medium to high end, and be able to modify the rules of these market on the fly without needing to engage in a lengthy software development process and service disruption.

It would further have been obvious to have used the kit to provide an auction on an intranet of an auction sponsor because this would have provided a convenient place for employees to redeem their incentive points. Also, an auction on the sponsor's intranet would have engendered positive feelings toward the sponsor by participants.

Claims 14-16 and 18-20 is rejected under 35 U.S.C. 103(a) as being unpatentable over Copple et al in view of Barzilai et al.

Concerning Claim 14, Copple et al discloses the invention substantially as claimed. See the discussion of Claim 1 above. While Copple et al disclose most of the functionality of the invention, they do not disclose the apparatus elements which perform those functions. Barzilai et al complete these details as set forth below.

They disclose:

An on-line auction facility for managing bids of authorized participants (Col. 5, line 19 to Col. 6, line 52) on a set of auction items (Col. 6, lines 38-50), the on-line auction facility comprising:

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an authorized participants database configured to store a set of authorized participant entries (Fig. 2, element 34), each participant entry including a participant identification and an available funds value total (Col. 7, lines 36-60);

an auction items database configured to store a set of auction item entries corresponding to auction items to be bid upon by authorized participants (Fig 2, ele.38), each auction item entry including an auction item identification and at least a high bid (Col.11, lines 6-30);

a network communication interface providing on-line access to the auction facilities (Col. 3, line 44 to Col. 5, line 7, particularly Col. 3, lines 57-58);

an interactive auction server including:

a participant authenticator for selectively granting access by authorized participants to the contents of the auction items database and to submit bids on items from the auction items database (Col. 5, lines 8-32; Col. 7, line 17 to Col. 8, line 32);

an auction item display generator, having communicative access to the auction item database, the auction item display generator responding to requests from authorized participants via the network communication interface by retrieving from the auction items database, information relating to a selected auction item for display for the authorized participants (Fig. 5; Col. 11, line 37 to Col. 12, line 45);

a bid verifier, having communicative access to the participant points total in the participant database, for determining whether a received bid exceeds an available incentive point value total for an authorized participant (Col. 7, lines 40-60);

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and a bid register for maintaining at least a high bid for each item represented in the set of auction item entries Col. 14, lines 10-34.

It would have been obvious to one of ordinary skill in the art at the time of the invention to have used the apparatus elements disclosed by Barzalai et al to implement the auction functions disclosed by Copple et al because the subject matter of auction management was common to both inventions and the inventions were method-apparatus reflections of one another. The use of the apparatus of Barzalai et al would have provided a convenient and effective infrastructure for the execution of the auction steps of Copple et al.

With respect to Claim 15, Copple et al disclose that a participant entry includes contact information at Col. 5, lines 4-22. Barzalai et al disclose the same feature at Col. 7, lines 35-60.

Regarding Claim 16, see the discussions of Claims 14 and 13 above.

With respect to Claim 18, Barzalai et al disclose including a suggested item value at Col. 6, lines 11-62. It would further have been obvious to provide such a suggested value because this would have provided a reasonable starting price for the auction. Additionally, it would have been obvious to provide a suggested starting price so as to give guidance on what price was likely to be accepted. Some guidance for bidding is required from a simply practical point-of-view and is commonly known as an initial bid.

With respect to Claims 19 and 20, see the discussion of Claim 18 and further note the equivalence of currency (dollars) and incentive points as set forth in the discussion of Claim 2.

Claim 17 is rejected under 35 U.S.C. 103(a) as being unpatentable over Copple et al and Barzilai et al in view of Ausubel.

Regarding Claim 17, Copple et al and Barzilai et al disclose the invention substantially as claimed. See the discussion of Claim 14 above. They do not disclose the inclusion of a bid history including a high bid and list of preceding bids. Ausubel discloses this feature at Col. 6, lines 11-62 and Col. 8, lines 20-35. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included a bid history as disclosed by Ausubel in the combination of Copple et al and Barzilai et al because this would have allowed bidders to see information necessary to modify their responses after the auction had begun, as specifically noted by Ausubel at Col. 8, lines 25-35.

Response to Amendment

The Declaration filed on July 30, 2002 under 37 CFR 1.131 has been considered but is ineffective to overcome the Copple et al reference. It appears that the Declaration presented relates to swearing back of the Copple reference and does not relate to 37 CFR 1.132.

The evidence submitted is insufficient to establish applicant's alleged actual reduction to practice of the invention in this country or a NAFTA or WTO member country after the effective date of the Copple et al reference. Applicant asserts that the screen shots provided as evidence to swear back of Copple represent the claimed invention. These screen shots, as admitted by Applicant, are dated after the filing date of Copple and so cannot provide support for this

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contention. The Examiner is simply unable to determine which claim elements were present in the invention at the June 1999 date asserted as the date of reduction to practice based on evidence presented.

Additionally, Applicant fails to map elements of exhibits as support for particular claim features. See MPEP 715.07.

Applicant's arguments filed July 30, 2002 have been fully considered but they are not persuasive.

Applicant's substantive arguments begin at page 3 to page 4 of the amendment. He argues that Copple does not disclose a step of designating a set of auction items by an auction sponsor. Claim 1 does not recite that the designation is done by an auction sponsor; it simply recites designation. An equally valid interpretation is that the bidder does such designation from a catalog. Applicant's phrasing "the method comprising the steps of" at the preamble does not require any order of execution of the steps.

Additionally, it is inherent that someone, logically the auction sponsor, would assemble the set of items available for bidding. See Copple at Col. 66+.

As to the argument at page 5 regarding Claims 2 and 3, Applicant has provided no substantive refutation to the Examiner's rationale for obviousness. Applicant's argument centers around the failure of Jack to specifically disclose purchase of points by a participant. Jack was not relied on for this exact feature; the Examiner relied on Jack specifically for teachings on the interchangeability of currency. Given this interchangeability, the Examiner made a reasoned statement regarding giving a participant a greater opportunity to successfully bid for something

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for which the participant was “short” on points. There is no substantive refutation of this rationale.

Applicant discusses Claim 4 at pages 5 and 6 of the amendment. Applicant discusses suggestions in the prior art and the Copple and Jack references at pages 5-6. In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, Applicant goes to great length to discuss unclaimed features. Claim 4 as depending from Claims 2, merely recites a standard auction using purchasable points which have a currency value. It also is limited by a points-to-currency conversion ratio, all of which features are provided by the combination of Copple and Jack. There is no more than this in the claimed invention and Applicant fails to argue effectively against the Examiner's rationale for combination.

Concerning Applicant's arguments on Claim 5 at page 6, Jack was not relied on for the auction feature, rather, Copple was. Applicant has failed to successfully argue against the combination of Copple and Jack as set forth above.

As to Claim 8 arguments, Copple discloses an automated message delivery service as e-mail at Col. 6, lines 47-43.

As to Applicant's argument regarding Claim 12, it presents elements not claimed. The claim reads that the point value total is adjusted after bidding is closed. Copple teaches exactly

this in that the total is adjusted in the amount credited back. Such adjustment has occurred after auction close. The claim language does not require that the *only* change made to the point total occurs after auction close.

As to the argument of Claim 13, see the discussions of Claims 1 and 12.

Concerning Applicant's argument on Claim 9 at page 7, it does not persuade because it does not describe why internet and intranet based auctions would be incompatible. See Microsoft Dictionary (page 262, "intranet topic") for support of the Examiner's contention that internet and intranet systems are similar and compatible. Particularly note that the Dictionary states that "An intranet is so-called because it usually employs applications associated with the Internet..." Applicant merely asserts that Shoham teaches away from an intranet-based auction, but gives no rationale why this is so.

At page 8 of the amendment, Applicant argues that the rejection of 14 and 15 is improper because Copple is sworn behind. In view of the response to the Declaration set forth above, the reference is not removed and the rejection stands.

As to the argument related to Claim 16, Applicant fails to address the Examiner's observation of obviousness of reserving points as set forth in the discussion of Claim 13 and referred to in the rejection of Claim 16.

Concerning the argument of Claim 17, Applicant fails to substantively address the motivation to combine references for bid histories. In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the

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references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, the combination would have allowed bidders to see information necessary to modify their responses after the auction had begun, as specifically noted by Ausubel at Col. 8, lines 25-35. Applicant also argues a disclosed but unclaimed embodiment wherein point totals can exceed a bidders available points.

As to Applicant's arguments at page 8 regarding Claims 18-20, the discussion of Claim 2 above regarding the interchangeability of money and points makes clear that the arguments are incorrect. In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, the combination of the references discloses or suggest all recited Claim elements or suggest them as set forth above.

Further the concept of a suggested bid is well known as an initial asking bid and cannot confer patentability. See Dinwoodie at Col. 4, line 53 for support of this contention.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on Monday - Friday, 8:30 - 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 746-7239 for regular communications and (703) 746-7238 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 305-3900.


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crk

September 20, 2002


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